

SOUTHERN BOONE CO. R-I (010-087)

Review ID: 5899

Exit Conference Date: 10/19/2016

Review Year: 2017

Month of Review: September

Lead Reviewer: joseph samelak

Area	Findings ID	Finding Description	Required Corrective Action
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LEA - Level Findings

Resource Mgt Comprehensive Review	V-RMCRF	<p>Your adult meal prices are not set at a level high enough to be in compliance with USDA requirements. Adult meal prices need to be set higher than the student prices, because the USDA subsidizes student meal prices, not adult meal prices. These subsidies come in the form of federal reimbursement, and the current per-meal value of entitlement and/or bonus foods. Currently, your school receives \$0.36 in reimbursement for each paid meal you serve. On top of that, USDA has calculated the current per-meal value of entitlement and/or bonus foods to be \$0.32. To calculate the adult meal prices, typically you take the paid meal price, add that to the paid meal reimbursement, and add that to the per-meal value of entitlement and/or bonus foods. So your adult meal price would be calculated as follow: Adult Price = Paid Student Price (\$2.20) + Paid Reimbursement (\$0.36) + Per Meal Value of Entitlement (\$0.32) This would mean your adult price should be at least \$2.88 You will need to adjust your adult meal prices.</p>	Please provide assurance that you will increase your adult meal prices.
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LEA - Level Findings

Resource Mgt Comprehensive Review	V-RMCRF	<p>The Nonprogram Food Revenue Tool had not been completed prior to my visit. I worked with Cassie Denning to complete this tool during, and after, the review. The data that we had looked at was from the entirety of SY 2015-16. After completing this tool, the final figures are as follows:</p> <ul style="list-style-type: none"> - Cost for Reimbursable Meal Food: \$232,644 - Cost of Nonprogram Food: \$42,153 - Total Food Costs: \$274,797 - Total Nonprogram Food Revenue: \$67,354 - Total Revenue: \$534,887 <p>After plugging this information into the tool, the results were as follows:</p> <ul style="list-style-type: none"> - Minimum portion of revenue that needs to come from nonprogram funds: 15% - Minimum revenue required from the sale of nonprogram foods: \$82,050 <p>This means that the "Additional Revenue Needed to Comply" is: \$14,696 (\$82,050 - \$67,354 = \$14,696). What the USDA wants, with this tool, is for nonprogram foods to contribute equally in proportion to the total food costs as they do to the total food revenue. Based on the numbers you had provided me, you spent 15% of your total food costs on nonprogram foods (\$42,153 / \$274,797 = 0.153 or 15%). So, USDA says that at least 15% of your total revenues should come from the sale of nonprogram foods. You reported to me that your nonprogram food revenue was \$67,354, and your total revenue was \$534,887. This means nonprogram sales only accounted for 12.5% of all revenues (\$67,354 / \$534,887 = 0.125 or 12.5%). This means that you will need to evaluate your nonprogram/a la carte/adult meal prices, and see which items you may not be charging enough for.</p>	Please provide assurance that you will reevaluate your nonprogram/a la carte/adult meal prices to ensure that you receive enough revenues to be in compliance.
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